

To: The Honourable Martin Glenn,

I remain hopeful that my wife and I can adequately support ourselves as we transition into full retirement, and that the court can permit my Celsius account to go on to provide a significant addition to our passive income in the future.

That being said, it is heart breaking to hear about those folks who deposited all, or too much, of their resources, into their Celsius accounts and who are now living in fear of these funds.

At the same time, I am concerned that Alex Mashinsky's ebullience and rhetoric is blamed for these decisions given the uncertainty of the underlying crypto assets (BTC, ETH, DOGE etc). My contract with Celsius clear and the actions taken under extreme circumstances were awful but always possible. *Caveat emptor*.

I am confident that there is plenty of value left in the Celsius company derived from its assets; its concept: its technology; its skills and experience, an improved business plan and determination to succeed

I respectfully offer the following suggestions and observations:

***DON'T THROW THE BABY OUT WITH THE BATH WATER!***

The truth is that CELSIUS apparently still has its vision, confidence and has begun a recovery plan under the protection of Chapter 11 and has the will to return to normal business. This ought to be taken as encouraging to the debtors.

We are aware of the waves of negative rumours circulating but we cannot know the truth until there is more disclosure and investigation. The rumours were vicious and started the run which eventually exposed problems but not the claims of "possible" fraud. Long after the near fatal damage was done we can easily find the YouTube click-baiters hi-jacking the power of the Celsius logo with debilitating commentary of the court hearings. Fortunately there are few more thoughtful and objective commentaries

We should separate the evaluation of the hard work, dedication, and enthusiasm of the Celsius management team from our evaluation of the decisions by Alex Mashinski with his board of directors. In order to confirm or dispel allegations his fraud there will inevitably be a spotlight on Alex Mashinski himself.

It is undeniable that the team must have worked hard and learned fast as the company grew and developed new and better services. (1.7 million registrations in over 100 countries is an astounding data base to manage). Despite the inevitable growth pains the results have been extraordinary but evidently their risk management function had not allowed for a perfect storm in the crypto world coupled with the sudden, unfounded vilification of their CEO.

These are my reasons to keep the present Celsius management in place:

***I see no reason to condemn Alex Mashinsky at this time.*** I consider that he has done as much as anyone could do to help pilot a better monetary system and protect the Community. I sense Mashinski feels threats to Celsius in particular, and to crypto in general, is coming from the masters of the existing monetary systems and fast growth of crypto is the best protection. *Is he right or is he wrong? Is he the good guy or the bad guy?*

***Changing the Celsius brand would be counterproductive.***

Blameless depositors removed their deposits to the value of 1.9 million USD before June 12. Are they feeling: disappointed; smart; cheated?. My guess is that when they can see stability restored many will consider bringing funds back. *Better the devil they know than the devil they don't.*

***If given a choice, how many with funds locked in would take a "haircut"?***

I suspect that many of us who are currently locked in were in for the long term anyway. I will be happy if Alex Mashinsky and the team can pull the Community through and we carry on. *Hindsight is always 20/20!*

***Celsius is crippled but standing. I take this as a sign of strength. Others fell.***

Given the extreme conditions not of Mashinsky's making, the decisions were inevitable. *Damned if he did, damned if he didn't!*

***Changing the brand from CELSIUS to something else ?***

On balance it would be counterproductive.

***Mashinsky is an engineer and programmer and a proven inspirational leader.***

Simon Dixon and Alex Mashinsky offer complementary strengths and collaboration between the two could offer the optimum outcome. In any event, the recovery plan will be along the lines outlined by Dixon. I would choose Mashinsky to execute it. *Americans can forgive and love a comeback!*

***The bankruptcy court will identify the weaknesses in Celsius's administration and with the existing team changes will be straightforward and fast***

A new leadership could break the spell and introduce unforeseen risks

[My proposition in favour of Mashinsky collapses if 1) the claims of wilful actions against the interests of the Celsius community, or even fraud were to be confirmed. And/or 2) if the Celsius team lose respect for their founder].

***TOO GOOD TO BE TRUE***

The high yields paid by Celsius have convinced some to claim it must be a Ponzi scheme. This obviously needs to be disproved if the business model is to have any future.

In my view the yields are possible and this was explained by Mashinsky and it is believable. Typically traditional banks earn annual profits often of the order of 16% and mainly from specialised lending. The expanding crypto industry needed, and apparently still needs, a credit facility which traditional banks were never ready to provide.

**Important differences**

- Crypto lending should be fully collateralised and not dependant on the licences needed by traditional banks using fractional reserves.
- The depositors using crypto banks have a high proportion of yields earned by lending substantially paid back unlike in traditional banking, which find other places to distribute to.

Celsius and Mashinsky appear to have been singled out for more adverse condemnation than any of the other lending platforms. Are their business models different to that used by Celsius?

There may be something to learn from the competing lending platform, NEXO, as this seems to have navigated around the storms with no damage, and also offers high yields, similar to Celsius.

It seems that all the other lending platforms including: Voyager, Vauld, Blockfi, Babel, and Genesis faced acute cashflow problems as did Celsius. Some have been destroyed, others are looking for ways to recover.

We know that cash rich businesses (big crypto exchanges) are willing to inject funds to acquire some of the lending platforms in difficulty which seems to confirm the demand for, and the viability of, crypto lending platform paying high yields.

### STORM CLOUDS BREWING

The hordes of depositors who withdrew their funds before the eventual pause on withdrawals obviously contributed to Celsius's difficulties but they are blameless. Unfortunately I am left, with others, *holding the baby!*

I remain optimistic that my deposits are not lost and are in a state of enforced "hodling" and at some time in the future a good chance of freedom to withdraw, with interest compounded. The only realise loss for me at this time is that I expected to use the foreseen Visa Card as a means to spend yield.

My sense is that Alex Mashinsky also wants to make good on his promise, albeit delayed! Had he not sought Chapter 11 when he did we would have lost any chance of making the debtors whole.

As a 5% shareholder of Celsius, Simon Dixon of BNKTOTHEFUTURE obviously believed in the fundamentals of Celsius and evidently had no doubts about the sincerity of the Celsius CEO. Dixon claims he has the skill, experience and the regulatory compliances in place to recover Celsius but tells everyone that a fresh brand is necessary. – BNKTOTHEFUTURE perhaps?

The plans drawn up between the Celsius board and their outside advisors for presentation to the court are likely to be similar to those being promoted by Dixon. This would be "haircuts" for depositors who decide to extract funds in the short term and for the others a prolonged period of "hodling", with progressive relaxation on withdrawals over a longer time with real hope of a return to normal later.

Simon Dixon has worked very hard to persuade debtors to support his bid to handle the recovery.

I am confident that Dixon could do a good job, but, for now, in the absence of more clarity surrounding Celsius and its founder, I maintain the view that the existing Celsius team, with Mashinsky in charge, is best equipped to bring about a fast recovery.

### THE TIMELINE - THE PERFECT STORM

***A section of the social media began a character assassination of Mashinsky at around the same time as the perfect storm in the crypto world began (LUNA/UST followed by 3- ARROWS)***

Mashinsky was always open to questions and provided some clues from with the published inflows and outflows. It is hard for me to agree that more transparency could have helped in this situation at that time.

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***Mashinsky stated in his declaration that "the Company made what, in hindsight, proved to be certain poor asset deployment decisions." Mashinsky estimated that Celsius owed its users \$4.72 billion at the time of his declaration, terming these users "unsecured creditors."***

*Read the contract - Good drivers crash cars*

***The growth of Celsius relied totally on Mashinsky putting himself in the public eye. The dilemma that any CEO faces when the accounts go towards insolvency is when to disclose.*** Most CEOs try to stay away from interviews in order to avoid the inevitable direct questions prompted rumours.

***The rumours were circulating and Mashinsky faced difficult questions several times.***

I contend that had Mashinsky been more forthright and negative too soon we would not be talking about a recovery plan now. *There is hope until there isn't!*

***We need to show if Mashinsky's positive responses were in support of the depositors or to wilfully hide something for some nefarious reason?***

For the latter to be true, Mashinski would have to be a psychopath. I do not believe this to be the case.

***I noted in the AMA's that Mashinsky was looking increasingly tired***

During the AMA before the voluntary Chapter 11 it was clear to me that disgraceful social media attacks on Mashinsky had already caused some Celsiusians to run for exit. I hoped less than there were. I was grateful that the Celsius boards decision came when it did or my deposits would be in Chapter 7 Bankruptcy. *Cents in the dollar*

***I had always known enough of about my contract with Celsius to know that my deposits were under Celsius control***

As they are in traditional banks although many people never think about this.

***Assuming there has been no criminal misappropriation of funds,***

I see my best interests being served by leaving my deposits in place and allowing time and actions to stabilise the business under the CELSIUS BRAND under the existing board of directors.

#### RUMOURS - MY COMMENTS

**CELSIUS is running a Ponzi scheme and Mashinsky is diverting assets to himself and often suggesting that CEL tokens are used to siphon off funds.**

This will be easy clarify

***Past losses covered up (e.g. unreported loss of an ETH wallet).***

Under normal circumstances this would have passed unnoticed. Even good drivers crash cars. Wilful intent would need to be proven here. *The cost of doing business*

***There are suggestions in the media that Mashinski "told so many lies and he knew was covering up the hole in CELSIUS finances".***

Under the terms of our contract the CEO can stop the outflow of funds, precisely for such circumstances. The pause was a public declaration of cashflow problems. Mashinsky's later public declaration of filing for Chapter 11 Bankruptcy provided reasonable transparency about the "hole". Prior to that, despite the perfect storm going on all around, the company carried on looking for solutions. Unfounded allegations of cover ups and fraud hastened the the demolition..

***Media suggested that Mashinski claimed that CELSIUS was so secure that depositors should put their life savings into it.***

I heard all the weekly AMA's . It seems that the media are intentionally conflating the security of the data systems (and this proved to be true). The volatility and inherent risks of crypto was never minimised and Celsius always promoted "hodling" what you can afford to lose). Many video clips have been very selective to fit a narrative and the reports are skewed accordingly. In my view it was these baseless reports that caused triggered the run that inevitably crippled the company

***The media feigned surprise that unsuspecting savers handed control of their assets to CELSIUS and worse it was placed at risk by lending it to another party.*** Exactly as any savings bank does, but with even more potential risk due to their use of fractional reserve with their "licence to print money" model.

***The media's speculation of CELSIUS operating as a Ponzi scheme adding the - "too good to be true, and probably is" - high interest argument.***

I am certain that sound evidence that this is untrue will be demonstrated in court. The big banks can achieve high rates of interest from customers money but the bulk of the profit stay is not seen by the customer taking the risk.

#### FINAL THOUGHTS

BTC and the blockchains industry needs its own credit service to flourish. It cannot be denied that Celsius and its community has made an important contribution to bringing crypto to 1.7 million users.

Many of the Celsius users could not attempt to invest into crypto were it not for the simplicity of the system and the online and telephone support and even the face to face contacts that are commonplace. Celsius is so effective and powerful that it is a serious threat to traditional banking and will not have gone unnoticed by the World Bank, IMF, BIS, and WEF

Furthermore it appears that in the midst of a "perfect storm in crypto" Celsius was subjected to very negative rumours that caused a run that would expose weaknesses in any traditional bank even with no adverse trading conditions.

The recovery solutions outlined very forcibly in the media by Dixon of BNKTO THE FUTURE should be adopted by the existing CELSIUS board under the CELSIUS BRAND.

Thank you for your consideration.

Sincerely,

For information

#### MY PROFILE

Mechanical Engineer .

I have no connections to Celsius other than through my App

I invested, progressively over 5 years, around US\$300,000 value into Celsius and earned interest exclusively in CEL.

At the time of writing the total balance of crypto on my Celsius App is valued at US\$388775.45 , This includes CEL tokens valued at US\$64,862.74.

I was an early adopter in 2017 and also purchased a shares issue valued at US\$3000. I have rarely withdrawn funds and when BTC peaked my balance exceeded US\$1,600,000